

## Federal Housing Finance Board

## § 951.8

neighborhood stabilization plan approved by a unit of state or local government, and not displacing low- or moderate-income households, or if such displacement will occur, assuring that such households will be assisted to minimize the impact of such displacement.

(5) *Approval of applications*—(i) *Approval by Bank's board*. The board of directors of each Bank shall approve applications in descending order starting with the highest scoring application until the total funding amount for the particular funding period, except for any amount insufficient to fund the next highest scoring application, has been allocated. The board of directors also shall approve at least the next four highest scoring applications as alternates and, within one year of approval, may fund such alternates if any previously committed AHP subsidies become available.

(ii) *No delegation*. A Bank's board of directors shall not delegate to Bank officers or other Bank employees the responsibility to approve or disapprove AHP applications.

[62 FR 41828, Aug. 4, 1997, as amended at 63 FR 27673, May 20, 1998; 64 FR 23015, Apr. 29, 1999; 64 FR 24028, May 5, 1999; 65 FR 5419, Feb. 4, 2000; 65 FR 8263, Feb. 18, 2000; 67 FR 18804, Apr. 17, 2002; 70 FR 9511, Feb. 28, 2005]

### § 951.7 Modifications of applications prior to or after project completion.

(a) *Modification procedure*. If, prior to or after final disbursement of funds to a project from all funding sources, there is or will be a change in the project that would change the score that the project application received in the funding period in which it was originally scored and approved, had the changed facts been operative at that time, a Bank, in its discretion, may approve in writing a modification to the terms of the approved application, provided that:

(1) The project, incorporating any such changes, would meet the eligibility requirements of § 951.5(b);

(2) The application, as reflective of such changes, continues to score high enough to have been approved in the funding period in which it was originally scored and approved by the Bank; and

(3) There is good cause for the modification.

(b) *Modifications involving a subsidy increase*. Modifications involving an increase in AHP subsidy shall be approved or disapproved by a Bank's board of directors. The authority to approve or disapprove such requests shall not be delegated to Bank officers or other Bank employees.

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### § 951.8 Procedure for funding.

(a) *Disbursement of subsidies to members*. (1) A Bank may disburse AHP subsidies only to institutions that are members of the Bank at the time they request a draw-down of subsidy.

(2) If an institution with an approved application for AHP subsidy fails to obtain or loses its membership in a Bank, the Bank may disburse subsidies to a member of such Bank to which the institution has transferred its obligations under the approved application, or the Bank may disburse subsidies through another Bank to a member of that Bank that has assumed the institution's obligations under the approved application.

(b) *Homeownership set-aside programs*—(1) *Time limit on use of subsidies*. If homeownership set-aside funds are not drawn down and used by eligible households within the period of time specified by the Bank in its AHP implementation plan, the Bank shall cancel the application for funds and make the funds available for other applicants for homeownership set-aside funds or for other AHP-eligible projects.

(2) *Member certification upon disbursement*. Prior to disbursement by a Bank to a member of homeownership set-aside funds, or prior to disbursement by a member of homeownership set-aside funds repaid to and retained by such member pursuant to a subsidy reuse program authorized by the Bank under § 951.12(e)(2), the Bank shall require the member to certify that:

(i) The funds received by the member will be provided to a household meeting the eligibility requirements of § 951.5(a)(2);